

**EIGHTY-FIFTH GENERAL ASSEMBLY  
2013 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

APRIL 22, 2013

**Senate Amendment to  
HOUSE FILE 604**

**H-1320**

1 Amend House File 604, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. By striking everything after the enacting clause  
4 and inserting:  
5  
6 <DIVISION I  
7 FY 2013-2014 APPROPRIATIONS ---- STATUTORY CHANGES  
8 DEPARTMENT FOR THE BLIND  
9 Section 1. ADMINISTRATION. There is appropriated  
10 from the general fund of the state to the department  
11 for the blind for the fiscal year beginning July 1,  
12 2013, and ending June 30, 2014, the following amount,  
13 or so much thereof as is necessary, to be used for the  
14 purposes designated:  
15 1. For salaries, support, maintenance,  
16 miscellaneous purposes, and for not more than the  
17 following full-time equivalent positions:  
18 ..... \$ 2,191,815  
19 ..... FTEs 88.00  
20 2. For costs associated with universal access to  
21 audio information for blind and print handicapped  
22 Iowans:  
23 ..... \$ 50,000  
24 COLLEGE STUDENT AID COMMISSION  
25 Sec. 2. There is appropriated from the general fund  
26 of the state to the college student aid commission for  
27 the fiscal year beginning July 1, 2013, and ending June  
28 30, 2014, the following amounts, or so much thereof as  
29 is necessary, to be used for the purposes designated:  
30 1. GENERAL ADMINISTRATION  
31 For salaries, support, maintenance, miscellaneous  
32 purposes, and for not more than the following full-time  
33 equivalent positions:  
34 ..... \$ 232,943  
35 ..... FTEs 3.95  
36 2. STUDENT AID PROGRAMS  
37 For payments to students for the Iowa grant program  
38 established in section 261.93:  
39 ..... \$ 791,177  
40 3. HEALTH CARE PROFESSIONAL RECRUITMENT PROGRAM  
41 For the loan repayment program for health care  
42 professionals established pursuant to section 261.19:  
43 ..... \$ 400,973  
44 4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM  
45 For purposes of providing national guard educational  
46 assistance under the program established in section  
47 261.86:  
48 ..... \$ 5,100,233  
49 5. TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM  
50 For the teacher shortage loan forgiveness program  
established in section 261.112:

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1 ..... \$ 5,392,452  
2 6. ALL IOWA OPPORTUNITY FOSTER CARE GRANT PROGRAM  
3 For purposes of the all Iowa opportunity foster care  
4 grant program established pursuant to section 261.6:  
5 ..... \$ 554,057  
6 7. ALL IOWA OPPORTUNITY SCHOLARSHIP PROGRAM  
7 a. For purposes of the all Iowa opportunity  
8 scholarship program established pursuant to section  
9 261.87:  
10 ..... \$ 2,240,854  
11 b. If the moneys appropriated by the general  
12 assembly to the college student aid commission for  
13 fiscal year 2013-2014 for purposes of the all Iowa  
14 opportunity scholarship program exceed \$500,000,  
15 "eligible institution" as defined in section 261.87,  
16 shall, during fiscal year 2013-2014, include accredited  
17 private institutions as defined in section 261.9,  
18 subsection 1.  
19 8. REGISTERED NURSE AND NURSE EDUCATOR LOAN  
20 FORGIVENESS PROGRAM  
21 For purposes of the registered nurse and nurse  
22 educator loan forgiveness program established pursuant  
23 to section 261.23:  
24 ..... \$ 80,852  
25 9. BARBER AND COSMETOLOGY ARTS AND SCIENCES TUITION  
26 GRANT PROGRAM  
27 For purposes of the barber and cosmetology arts and  
28 sciences tuition grant program established pursuant to  
29 section 261.18:  
30 ..... \$ 40,000  
31 10. SKILLED WORKFORCE SHORTAGE TUITION GRANTS  
32 For purposes of providing skilled workforce shortage  
33 tuition grants in accordance with section 261.130:  
34 ..... \$ 5,000,000  
35 Notwithstanding section 8.33, moneys appropriated in  
36 this subsection that remain unencumbered or unobligated  
37 at the close of the fiscal year shall not revert but  
38 shall remain available for expenditure for the purposes  
39 designated until the close of the fiscal year that  
40 begins July 1, 2014.  
41 11. RURAL IOWA PRIMARY CARE LOAN REPAYMENT PROGRAM  
42 a. For purposes of the rural Iowa primary care  
43 loan repayment program established pursuant to section  
44 261.113:  
45 ..... \$ 2,000,000  
46 b. From the moneys appropriated in paragraph "a",  
47 not more than \$150,000 shall be used by the commission  
48 for loan repayments for individuals who hold a license  
49 issued under chapter 154C and are employed in a  
50 critical human service area.

1 (1) The commission shall establish an application  
2 process and criteria for loan repayment to licensed  
3 social workers and shall determine the amount of time  
4 a licensed social worker shall practice in a critical  
5 human service area in order to qualify for loan  
6 repayment under this paragraph "b".

7 (2) The annual amount of loan repayment a recipient  
8 may receive under this paragraph "b" shall be \$6,500  
9 or 20 percent of the licensed social worker's total  
10 federally guaranteed Stafford loan amount under the  
11 federal family education loan program or the federal  
12 direct loan program, including principal and interest,  
13 whichever amount is less. The total loan repayment  
14 a recipient may receive from the commission during a  
15 consecutive five-year period shall not exceed the total  
16 remaining balance of the recipient's student loan debt  
17 or \$25,000, whichever is less.

18 (3) If a loan repayment recipient fails to meet the  
19 criteria and requirements established by the commission  
20 pursuant to this paragraph "b", the loan repayment  
21 recipient shall repay to the commission any funds paid  
22 by the commission on the recipient's loan.

23 (4) For purposes of this paragraph "b", "critical  
24 human service area" includes but is not limited to an  
25 area of the state with a shortage of social workers  
26 providing health, mental health, substance abuse,  
27 aging, HIV/AIDS, victim, or child welfare services,  
28 or communities with multilingual needs. An area  
29 designated as a mental health professional shortage  
30 area by the United States department of health  
31 and human services health resources and services  
32 administration is critical human service area.

33 (5) Notwithstanding section 8.33, moneys allocated  
34 for purposes of this paragraph "b" that remain  
35 unencumbered or unobligated at the close of the fiscal  
36 year shall not revert but shall remain available for  
37 expenditure for the purposes designated until the close  
38 of the following fiscal year.

39 (6) The commission shall adopt rules pursuant to  
40 chapter 17A for the administration of this paragraph  
41 "b".

42 Sec. 3. IOWA TUITION GRANT APPROPRIATIONS FOR FY  
43 2013-2014. Notwithstanding the standing appropriations  
44 in the following designated sections for the fiscal  
45 year beginning July 1, 2013, and ending June 30, 2014,  
46 the amounts appropriated from the general fund of the  
47 state to the college student aid commission pursuant to  
48 these sections for the following designated purposes  
49 shall not exceed the following amounts:

50 1. For Iowa tuition grants under section 261.25,

1 subsection 1:  
2 ..... \$ 47,513,448  
3 2. For tuition grants for students attending  
4 for-profit accredited private institutions located in  
5 Iowa under section 261.25, subsection 2:  
6 ..... \$ 2,500,000  
7 Sec. 4. CHIROPRACTIC LOAN FUNDS. Notwithstanding  
8 section 261.72, the moneys deposited in the  
9 chiropractic loan revolving fund created pursuant  
10 to section 261.72 may be used for purposes of the  
11 chiropractic loan forgiveness program established in  
12 section 261.73.  
13 Sec. 5. WORK-STUDY APPROPRIATION FOR FY  
14 2013-2014. Notwithstanding section 261.85, for the  
15 fiscal year beginning July 1, 2013, and ending June 30,  
16 2014, the amount appropriated from the general fund of  
17 the state to the college student aid commission for the  
18 work-study program under section 261.85 shall be zero.  
19 DEPARTMENT OF EDUCATION  
20 Sec. 6. There is appropriated from the general fund  
21 of the state to the department of education for the  
22 fiscal year beginning July 1, 2013, and ending June 30,  
23 2014, the following amounts, or so much thereof as is  
24 necessary, to be used for the purposes designated:  
25 1. GENERAL ADMINISTRATION  
26 For salaries, support, maintenance, miscellaneous  
27 purposes, and for not more than the following full-time  
28 equivalent positions:  
29 ..... \$ 6,413,812  
30 ..... FTEs 81.67  
31 2. VOCATIONAL EDUCATION ADMINISTRATION  
32 For salaries, support, maintenance, miscellaneous  
33 purposes, and for not more than the following full-time  
34 equivalent positions:  
35 ..... \$ 598,197  
36 ..... FTEs 11.50  
37 3. VOCATIONAL REHABILITATION SERVICES DIVISION  
38 a. For salaries, support, maintenance,  
39 miscellaneous purposes, and for not more than the  
40 following full-time equivalent positions:  
41 ..... \$ 5,113,168  
42 ..... FTEs 255.00  
43 For purposes of optimizing the job placement of  
44 individuals with disabilities, the division shall make  
45 its best efforts to work with community rehabilitation  
46 program providers for job placement and retention  
47 services for individuals with significant disabilities  
48 and most significant disabilities. By January 15,  
49 2014, the division shall submit a written report to the  
50 general assembly on the division's outreach efforts

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1 with community rehabilitation program providers.  
2 b. For matching funds for programs to enable  
3 persons with severe physical or mental disabilities to  
4 function more independently, including salaries and  
5 support, and for not more than the following full-time  
6 equivalent position:  
7 ..... \$ 39,128  
8 ..... FTEs 1.00  
9 c. For the entrepreneurs with disabilities program  
10 established pursuant to section 259.4, subsection 9:  
11 ..... \$ 145,535  
12 d. For costs associated with centers for  
13 independent living:  
14 ..... \$ 40,294  
15 4. STATE LIBRARY  
16 a. For salaries, support, maintenance,  
17 miscellaneous purposes, and for not more than the  
18 following full-time equivalent positions:  
19 ..... \$ 2,715,063  
20 ..... FTEs 29.00  
21 b. For the enrich Iowa program established under  
22 section 256.57:  
23 ..... \$ 2,924,228  
24 5. PUBLIC BROADCASTING DIVISION  
25 For salaries, support, maintenance, capital  
26 expenditures, miscellaneous purposes, and for not more  
27 than the following full-time equivalent positions:  
28 ..... \$ 7,443,096  
29 ..... FTEs 82.00  
30 6. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS  
31 For reimbursement for vocational education  
32 expenditures made by secondary schools:  
33 ..... \$ 2,630,134  
34 Moneys appropriated in this subsection shall be used  
35 to reimburse school districts for vocational education  
36 expenditures made by secondary schools to meet the  
37 standards set in sections 256.11, 258.4, and 260C.14.  
38 7. SCHOOL FOOD SERVICE  
39 For use as state matching funds for federal  
40 programs that shall be disbursed according to federal  
41 regulations, including salaries, support, maintenance,  
42 miscellaneous purposes, and for not more than the  
43 following full-time equivalent positions:  
44 ..... \$ 2,176,797  
45 ..... FTEs 20.58  
46 8. EARLY CHILDHOOD IOWA FUND ---- GENERAL AID  
47 For deposit in the school ready children grants  
48 account of the early childhood Iowa fund created in  
49 section 256I.11:  
50 ..... \$ 5,386,113

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1 a. From the moneys deposited in the school ready  
2 children grants account for the fiscal year beginning  
3 July 1, 2013, and ending June 30, 2014, not more than  
4 \$265,950 is allocated for the early childhood Iowa  
5 office and other technical assistance activities. The  
6 early childhood Iowa state board shall direct staff to  
7 work with the early childhood stakeholders alliance  
8 created in section 256I.12 to inventory technical  
9 assistance needs. Moneys allocated under this lettered  
10 paragraph may be used by the early childhood Iowa state  
11 board for the purpose of skills development and support  
12 for ongoing training of staff. However, except as  
13 otherwise provided in this subsection, moneys shall not  
14 be used for additional staff or for the reimbursement  
15 of staff.

16 b. As a condition of receiving moneys appropriated  
17 in this subsection, each early childhood Iowa area  
18 board shall report to the early childhood Iowa state  
19 board progress on each of the local indicators approved  
20 by the area board. Each early childhood Iowa area  
21 board must also submit an annual budget for the area's  
22 comprehensive school ready children grant developed for  
23 providing services for children from birth through five  
24 years of age, and provide other information specified  
25 by the early childhood Iowa state board, including  
26 budget amendments as needed. The early childhood Iowa  
27 state board shall establish a submission deadline for  
28 the annual budget and any budget amendments that allow  
29 a reasonable period of time for preparation by the  
30 early childhood Iowa area boards and for review and  
31 approval or request for modification of the materials  
32 by the early childhood Iowa state board. In addition,  
33 each early childhood Iowa area board must continue to  
34 comply with reporting provisions and other requirements  
35 adopted by the early childhood Iowa state board in  
36 implementing section 256I.9.

37 c. Of the amount appropriated in this subsection  
38 for deposit in the school ready children grants account  
39 of the early childhood Iowa fund, \$2,318,018 shall  
40 be used for efforts to improve the quality of early  
41 care, health, and education programs. Moneys allocated  
42 pursuant to this paragraph may be used for additional  
43 staff and for the reimbursement of staff. The early  
44 childhood Iowa state board may reserve a portion of the  
45 allocation, not to exceed \$88,650, for the technical  
46 assistance expenses of the early childhood Iowa state  
47 office, including the reimbursement of staff, and  
48 shall distribute the remainder to early childhood Iowa  
49 areas for local quality improvement efforts through  
50 a methodology identified by the early childhood Iowa

1 state board to make the most productive use of the  
2 funding, which may include use of the distribution  
3 formula, grants, or other means.

4 d. Of the amount appropriated in this subsection  
5 for deposit in the school ready children grants account  
6 of the early childhood Iowa fund, \$825,030 shall  
7 be used for support of professional development and  
8 training activities for persons working in early care,  
9 health, and education by the early childhood Iowa  
10 state board in collaboration with the professional  
11 development component group of the early childhood  
12 Iowa stakeholders alliance maintained pursuant to  
13 section 256I.12, subsection 7, paragraph "b", and the  
14 early childhood Iowa area boards. Expenditures shall  
15 be limited to professional development and training  
16 activities agreed upon by the parties participating in  
17 the collaboration.

18 9. EARLY CHILDHOOD IOWA FUND ---- PRESCHOOL TUITION  
19 ASSISTANCE

20 a. For deposit in the school ready children grants  
21 account of the early childhood Iowa fund created in  
22 section 256I.11:

23 ..... \$ 5,428,877

24 b. The amount appropriated in this subsection shall  
25 be used for early care, health, and education programs  
26 to assist low-income parents with tuition for preschool  
27 and other supportive services for children ages three,  
28 four, and five who are not attending kindergarten in  
29 order to increase the basic family income eligibility  
30 requirement to not more than 200 percent of the federal  
31 poverty level. In addition, if sufficient funding is  
32 available after addressing the needs of those who meet  
33 the basic income eligibility requirement, an early  
34 childhood Iowa area board may provide for eligibility  
35 for those with a family income in excess of the basic  
36 income eligibility requirement through use of a sliding  
37 scale or other copayment provisions.

38 10. EARLY CHILDHOOD IOWA FUND ---- FAMILY SUPPORT AND  
39 PARENT EDUCATION

40 a. For deposit in the school ready children grants  
41 account of the early childhood Iowa fund created in  
42 section 256I.11:

43 ..... \$ 12,364,434

44 b. The amount appropriated in this subsection  
45 shall be used for family support services and parent  
46 education programs targeted to families expecting a  
47 child or with newborn and infant children through age  
48 five and shall be distributed using the distribution  
49 formula approved by the early childhood Iowa state  
50 board and shall be used by an early childhood Iowa



1 area board only for family support services and parent  
2 education programs targeted to families expecting a  
3 child or with newborn and infant children through age  
4 five.

5 11. BIRTH TO AGE THREE SERVICES

6 For expansion of the federal Individuals with  
7 Disabilities Education Improvement Act of 2004, Pub.  
8 L. No. 108-446, as amended to January 1, 2013, birth  
9 through age three services due to increased numbers of  
10 children qualifying for those services:

11 ..... \$ 1,721,400

12 From the moneys appropriated in this subsection,  
13 \$383,769 shall be allocated to the child health  
14 specialty clinic at the state university of Iowa to  
15 provide additional support for infants and toddlers  
16 who are born prematurely, drug-exposed, or medically  
17 fragile.

18 12. EARLY HEAD START PROJECTS

19 For early head start projects:

20 ..... \$ 800,000

21 The moneys appropriated in this subsection shall be  
22 used for implementation and expansion of early head  
23 start pilot projects addressing the comprehensive  
24 cognitive, social, emotional, and developmental needs  
25 of children from birth to age three, including prenatal  
26 support for qualified families. The projects shall  
27 promote healthy prenatal outcomes and healthy family  
28 functioning, and strengthen the development of infants  
29 and toddlers in low-income families. Priority shall  
30 be given to those organizations that have previously  
31 qualified for and received state funding to administer  
32 an early head start project.

33 13. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

34 To provide moneys for costs of providing textbooks  
35 to each resident pupil who attends a nonpublic school  
36 as authorized by section 301.1:

37 ..... \$ 560,214

38 Funding under this subsection is limited to \$20 per  
39 pupil and shall not exceed the comparable services  
40 offered to resident public school pupils.

41 14. CORE CURRICULUM AND CAREER INFORMATION AND  
42 DECISION-MAKING SYSTEM

43 For purposes of implementing the statewide core  
44 curriculum for school districts and accredited  
45 nonpublic schools and a state-designated career  
46 information and decision-making system:

47 ..... \$ 2,000,000

48 15. STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM

49 For purposes of the student achievement and teacher  
50 quality program established pursuant to chapter



1 284, and for not more than the following full-time  
2 equivalent positions:  
3 ..... \$ 6,772,506  
4 ..... FTEs 2.00  
5 16. JOBS FOR AMERICA'S GRADUATES  
6 For school districts to provide direct services to  
7 the most at-risk senior high school students enrolled  
8 in school districts through direct intervention by a  
9 jobs for America's graduates specialist:  
10 ..... \$ 800,000  
11 17. EDUCATION REFORM  
12 For implementation of the education reform  
13 provisions pursuant to 2013 Iowa Acts, [House File 215](#),  
14 if enacted:  
15 ..... \$ 8,500,000  
16 18. SUCCESSFUL PROGRESSION FOR EARLY READERS  
17 For school districts to provide intensive  
18 instructional services, curricula, initiatives,  
19 programs, and supports in accordance with section  
20 279.68, subsection 2:  
21 ..... \$ 12,000,000  
22 19. COMPETENCY-BASED EDUCATION  
23 For implementation of the competency-based education  
24 grant program established pursuant to section 256.24  
25 as provided in [House File 215](#), if enacted, and the  
26 competency-based education task force recommendations  
27 as provided in [House File 215](#), if enacted:  
28 ..... \$ 825,000  
29 a. From the moneys appropriated in this subsection,  
30 not less than \$500,000 shall be used to provide grants  
31 under the competency-based education grant program  
32 established pursuant to section 256.24 as provided in  
33 [House File 215](#), if enacted. Notwithstanding section  
34 8.33, moneys received by the department pursuant to  
35 this lettered paragraph that remain unencumbered or  
36 unobligated at the close of the fiscal year shall not  
37 revert but shall remain available for expenditure for  
38 the purposes specified in this lettered paragraph  
39 until July 1, 2018, or until the Iowa Code section  
40 establishing the competency-based education grant  
41 program is repealed, whichever occurs first.  
42 b. From the moneys appropriated in this subsection,  
43 not less than \$100,000 shall be used for writing model  
44 competencies, not less than \$25,000 shall be used for  
45 plans and templates, not less than \$100,000 shall be  
46 used to develop the assessment validation rubric and  
47 model assessments, and not less than \$100,000 shall be  
48 used to design professional development in accordance  
49 with the recommendations of the competency-based  
50 education task force and as provided in [House File 215](#),

1 if enacted.

2 20. MIDWESTERN HIGHER EDUCATION COMPACT

3 For distribution to the midwestern higher education  
4 compact to pay Iowa's member state annual obligation:

5 ..... \$ 100,000

6 Notwithstanding section 8.33, moneys appropriated  
7 for distribution to the midwestern higher education  
8 compact pursuant to this subsection that remain  
9 unencumbered or unobligated at the close of the fiscal  
10 year shall not revert but shall remain available for  
11 expenditure for the purpose designated until the close  
12 of the succeeding fiscal year.

13 21. COMMUNITY COLLEGES

14 a. For general state financial aid to merged  
15 areas as defined in section 260C.2 in accordance with  
16 chapters 258 and 260C:

17 ..... \$193,274,647

18 Notwithstanding the allocation formula in section  
19 260C.18C, the funds appropriated in this subsection  
20 shall be allocated as follows:

21	(1) Merged Area I .....	\$ 9,572,490
22	(2) Merged Area II .....	\$ 9,772,970
23	(3) Merged Area III .....	\$ 9,035,001
24	(4) Merged Area IV .....	\$ 4,443,196
25	(5) Merged Area V .....	\$ 10,865,853
26	(6) Merged Area VI .....	\$ 8,657,389
27	(7) Merged Area VII .....	\$ 13,121,235
28	(8) Merged Area IX .....	\$ 16,582,059
29	(9) Merged Area X .....	\$ 30,143,212
30	(10) Merged Area XI .....	\$ 31,835,539
31	(11) Merged Area XII .....	\$ 10,781,694
32	(12) Merged Area XIII .....	\$ 11,522,373
33	(13) Merged Area XIV .....	\$ 4,527,071
34	(14) Merged Area XV .....	\$ 14,202,552
35	(15) Merged Area XVI .....	\$ 8,212,013

36 b. For distribution to community colleges to  
37 supplement faculty salaries:

38 ..... \$ 500,000

39 c. For deposit in the gap tuition assistance fund  
40 established pursuant to section 260I.2, subsection 2:

41 ..... \$ 2,000,000

42 Sec. 7. ONLINE CURRICULUM FOR UNIFORM TRANSFER OF  
43 ACADEMIC CREDIT ---- STUDY AND REPORT.

44 1. The department of education shall conduct  
45 a study regarding the establishment of an online  
46 curriculum to facilitate the transfer of academic  
47 credits earned by students residing in child foster  
48 care facilities licensed under section 237.4, and in  
49 institutions controlled by the department of human  
50 services and listed in section 218.1, between those

1 facilities and institutions and public and accredited  
2 nonpublic schools. The goal of the curriculum shall  
3 be to minimize wherever possible the loss of academic  
4 credit for coursework completed by such students.

5 2. Instruction provided through the online  
6 curriculum shall be taught by teachers licensed under  
7 chapter 272. All courses in the online curriculum  
8 shall meet existing accreditation standards.

9 3. The department shall submit a report of its  
10 findings and recommendations to the general assembly  
11 by January 3, 2014.

12 STATE BOARD OF REGENTS

13 Sec. 8. There is appropriated from the general fund  
14 of the state to the state board of regents for the  
15 fiscal year beginning July 1, 2013, and ending June 30,  
16 2014, the following amounts, or so much thereof as is  
17 necessary, to be used for the purposes designated:

18 1. OFFICE OF STATE BOARD OF REGENTS

19 a. For salaries, support, maintenance,  
20 miscellaneous purposes, and for not more than the  
21 following full-time equivalent positions:

22 ..... \$ 1,065,005  
23 ..... FTEs 15.00

24 The state board of regents shall submit a monthly  
25 financial report in a format agreed upon by the state  
26 board of regents office and the legislative services  
27 agency. The report submitted in December 2013 shall  
28 include the five-year graduation rates for the regents  
29 universities.

30 b. For moneys to be allocated to the southwest Iowa  
31 regents resource center in Council Bluffs:

32 ..... \$ 182,734

33 c. For moneys to be allocated to the northwest Iowa  
34 regents resource center in Sioux City under section  
35 262.9, subsection 22:

36 ..... \$ 66,601

37 d. For moneys to be allocated to the quad-cities  
38 graduate studies center:

39 ..... \$ 34,513

40 The board may transfer moneys appropriated under  
41 paragraph "b", "c", or "d", of this subsection to any  
42 of the other centers specified in paragraph "b", "c",  
43 or "d", if the board notifies, in writing, the general  
44 assembly and the legislative services agency of the  
45 amount, the date, and the purpose of the transfer.

46 e. For moneys to be distributed to Iowa public  
47 radio for public radio operations:

48 ..... \$ 391,568

49 f. For purposes of funding a student financial aid  
50 program for Iowa undergraduate students who demonstrate

1 financial need and who attend an institution of higher  
2 learning governed by the board:  
3 ..... \$ 10,000,000  
4 2. STATE UNIVERSITY OF IOWA  
5 a. General university, including lakeside  
6 laboratory  
7 For salaries, support, maintenance, equipment,  
8 financial aid, miscellaneous purposes, and for not more  
9 than the following full-time equivalent positions:  
10 ..... \$222,041,351  
11 ..... FTEs 5,058.55  
12 b. Oakdale campus  
13 For salaries, support, maintenance, miscellaneous  
14 purposes, and for not more than the following full-time  
15 equivalent positions:  
16 ..... \$ 2,186,558  
17 ..... FTEs 38.25  
18 c. State hygienic laboratory  
19 For salaries, support, maintenance, miscellaneous  
20 purposes, and for not more than the following full-time  
21 equivalent positions:  
22 ..... \$ 4,402,615  
23 ..... FTEs 102.50  
24 d. Family practice program  
25 For allocation by the dean of the college of  
26 medicine, with approval of the advisory board, to  
27 qualified participants to carry out the provisions  
28 of chapter 148D for the family practice program,  
29 including salaries and support, and for not more than  
30 the following full-time equivalent positions:  
31 ..... \$ 1,788,265  
32 ..... FTEs 190.40  
33 e. Child health care services  
34 For specialized child health care services,  
35 including childhood cancer diagnostic and treatment  
36 network programs, rural comprehensive care for  
37 hemophilia patients, and the Iowa high-risk infant  
38 follow-up program, including salaries and support, and  
39 for not more than the following full-time equivalent  
40 positions:  
41 ..... \$ 659,456  
42 ..... FTEs 57.97  
43 f. Statewide cancer registry  
44 For the statewide cancer registry, and for not more  
45 than the following full-time equivalent positions:  
46 ..... \$ 149,051  
47 ..... FTEs 2.10  
48 g. Substance abuse consortium  
49 For moneys to be allocated to the Iowa consortium  
50 for substance abuse research and evaluation, and

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1 for not more than the following full-time equivalent  
2 position:  
3 ..... \$ 55,529  
4 ..... FTEs 1.00  
5 h. Center for biocatalysis  
6 For the center for biocatalysis, and for not more  
7 than the following full-time equivalent positions:  
8 ..... \$ 723,727  
9 ..... FTEs 6.28  
10 i. Primary health care initiative  
11 For the primary health care initiative in the  
12 college of medicine, and for not more than the  
13 following full-time equivalent positions:  
14 ..... \$ 648,930  
15 ..... FTEs 5.89  
16 From the moneys appropriated in this lettered  
17 paragraph, \$254,889 shall be allocated to the  
18 department of family practice at the state university  
19 of Iowa college of medicine for family practice faculty  
20 and support staff.  
21 j. Birth defects registry  
22 For the birth defects registry, and for not more  
23 than the following full-time equivalent position:  
24 ..... \$ 38,288  
25 ..... FTEs 1.00  
26 k. Larned A. Waterman Iowa nonprofit resource  
27 center  
28 For the Larned A. Waterman Iowa nonprofit resource  
29 center, and for not more than the following full-time  
30 equivalent positions:  
31 ..... \$ 162,539  
32 ..... FTEs 2.75  
33 l. Iowa online advanced placement academy science,  
34 technology, engineering, and mathematics initiative  
35 For the establishment of the Iowa online advanced  
36 placement academy science, technology, engineering, and  
37 mathematics initiative:  
38 ..... \$ 481,849  
39 m. For the Iowa flood center for use by the  
40 university's college of engineering pursuant to section  
41 466C.1:  
42 ..... \$ 1,500,000  
43 3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
44 a. General university  
45 For salaries, support, maintenance, equipment,  
46 financial aid, miscellaneous purposes, and for not more  
47 than the following full-time equivalent positions:  
48 ..... \$173,986,353  
49 ..... FTEs 3,647.42  
50 b. Agricultural experiment station

1 For the agricultural experiment station salaries,  
2 support, maintenance, miscellaneous purposes, and  
3 for not more than the following full-time equivalent  
4 positions:  
5 ..... \$ 28,111,877  
6 ..... FTEs 546.98  
7 c. Cooperative extension service in agriculture and  
8 home economics  
9 For the cooperative extension service in agriculture  
10 and home economics salaries, support, maintenance,  
11 miscellaneous purposes, and for not more than the  
12 following full-time equivalent positions:  
13 ..... \$ 17,936,722  
14 ..... FTEs 383.34  
15 d. Leopold center  
16 For agricultural research grants at Iowa state  
17 university of science and technology under section  
18 266.39B, and for not more than the following full-time  
19 equivalent positions:  
20 ..... \$ 397,417  
21 ..... FTEs 11.25  
22 e. Livestock disease research  
23 For deposit in and the use of the livestock disease  
24 research fund under section 267.8:  
25 ..... \$ 172,844  
26 4. UNIVERSITY OF NORTHERN IOWA  
27 a. General university  
28 For salaries, support, maintenance, equipment,  
29 financial aid, miscellaneous purposes, and for not more  
30 than the following full-time equivalent positions:  
31 ..... \$ 87,222,819  
32 ..... FTEs 1,447.50  
33 b. Recycling and reuse center  
34 For purposes of the recycling and reuse center, and  
35 for not more than the following full-time equivalent  
36 positions:  
37 ..... \$ 175,256  
38 ..... FTEs 3.00  
39 c. Science, technology, engineering, and  
40 mathematics (STEM) collaborative initiative  
41 For purposes of the science, technology,  
42 engineering, and mathematics (STEM) collaborative  
43 initiative established pursuant to section 268.7, and  
44 for not more than the following full-time equivalent  
45 positions:  
46 ..... \$ 5,700,000  
47 ..... FTEs 6.20  
48 (1) From the moneys appropriated in this lettered  
49 paragraph, up to \$282,000 shall be allocated for  
50 salaries, staffing, and institutional support. The

1 remainder of the moneys appropriated in this lettered  
2 paragraph shall be expended only to support activities  
3 directly related to recruitment of kindergarten  
4 through grade 12 mathematics and science teachers and  
5 for ongoing mathematics and science programming for  
6 students enrolled in kindergarten through grade 12.

7 (2) The university of northern Iowa shall work with  
8 the community colleges to develop STEM professional  
9 development programs for community college instructors  
10 and STEM curriculum development.

11 (3) From the moneys appropriated in this lettered  
12 paragraph, up to \$1,000,000 may be used to provide  
13 technology education opportunities to high school,  
14 career academy, and community college students  
15 through a public-private partnerships, as well as  
16 opportunities for students and faculties at these  
17 institutions to secure broad-based information  
18 technology certification. The Iowa governor's STEM  
19 advisory council shall utilize a request for proposals  
20 process for contracts to make available, through the  
21 regional STEM network hubs, at high schools, career  
22 academies, and community colleges, instruction on  
23 skills and competencies that are essential for the  
24 workplace and which are requested by Iowa's employers.  
25 Such a contract shall include the following components:

- 26 (a) A research-based curriculum.  
27 (b) Online access to the curriculum.  
28 (c) Instructional software for classroom and  
29 student use.  
30 (d) Certification of skills and competencies in  
31 a broad base of information technology-related skill  
32 areas.  
33 (e) Professional development for teachers.  
34 (f) Deployment and program support, including but  
35 not limited to integration with current curriculum  
36 standards.

37 d. Real estate education program

38 For purposes of the real estate education program,  
39 and for not more than the following full-time  
40 equivalent position:

41 .....	\$	125,302
42 .....	FTEs	1.00

43 5. STATE SCHOOL FOR THE DEAF

44 For salaries, support, maintenance, miscellaneous  
45 purposes, and for not more than the following full-time  
46 equivalent positions:

47 .....	\$	9,207,705
48 .....	FTEs	126.60

49 6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

50 For salaries, support, maintenance, miscellaneous



1 purposes, and for not more than the following full-time  
2 equivalent positions:  
3 ..... \$ 3,838,962  
4 ..... FTEs 62.87  
5 7. TUITION AND TRANSPORTATION COSTS  
6 For payment to local school boards for the tuition  
7 and transportation costs of students residing in the  
8 Iowa braille and sight saving school and the state  
9 school for the deaf pursuant to section 262.43 and  
10 for payment of certain clothing, prescription, and  
11 transportation costs for students at these schools  
12 pursuant to section 270.5:  
13 ..... \$ 11,763  
14 8. LICENSED CLASSROOM TEACHERS  
15 For distribution at the Iowa braille and sight  
16 saving school and the Iowa school for the deaf based  
17 upon the average yearly enrollment at each school as  
18 determined by the state board of regents:  
19 ..... \$ 82,049  
20 Sec. 9. ENERGY COST-SAVINGS PROJECTS ----  
21 FINANCING. For the fiscal year beginning July 1,  
22 2013, and ending June 30, 2014, the state board of  
23 regents may use notes, bonds, or other evidences of  
24 indebtedness issued under section 262.48 to finance  
25 projects that will result in energy cost savings in an  
26 amount that will cause the state board to recover the  
27 cost of the projects within an average of six years.  
28 Sec. 10. PRESCRIPTION DRUG COSTS. Notwithstanding  
29 section 270.7, the department of administrative  
30 services shall pay the state school for the deaf and  
31 the Iowa braille and sight saving school the moneys  
32 collected from the counties during the fiscal year  
33 beginning July 1, 2013, for expenses relating to  
34 prescription drug costs for students attending the  
35 state school for the deaf and the Iowa braille and  
36 sight saving school.  
37 Sec. 11. Section 256I.7, subsection 1, paragraph a,  
38 Code 2013, is amended to read as follows:  
39 a. The early childhood Iowa functions for an area  
40 shall be performed under the authority of an early  
41 childhood Iowa area board. The members of an area  
42 board shall be elected officials or members of the  
43 public who are not employed by a provider of services  
44 to or for the area board. In addition, the membership  
45 of an area board shall include representation from  
46 early care, education, health, human services,  
47 business, and faith interests, and at least one parent,  
48 grandparent, or guardian of a child from zero through  
49 age five. However, not more than one member shall  
50 represent the same entity or interest.

1 Sec. 12. Section 256I.8, Code 2013, is amended by  
2 adding the following new subsection:

3 NEW SUBSECTION. 3. An area board shall not be a  
4 provider of services to or for the area board.

5 Sec. 13. NEW SECTION. 256I.13 Home visitation  
6 program ---- funding intent.

7 1. In order to implement the legislative intent  
8 stated in sections 135.106 and 256I.9, that priority  
9 for home visitation program funding be given to  
10 programs using evidence-based or promising models  
11 for home visitation, it is the intent of the general  
12 assembly to phase in the funding priority as follows:

13 a. By July 1, 2013, twenty-five percent of state  
14 funds expended for home visiting programs are for  
15 evidence-based or promising program models.

16 b. By July 1, 2014, fifty percent of state  
17 funds expended for home visiting programs are for  
18 evidence-based or promising program models.

19 c. By July 1, 2015, seventy-five percent of state  
20 funds expended for home visiting programs are for  
21 evidence-based or promising program models.

22 d. By July 1, 2016, ninety percent of state  
23 funds expended for home visiting programs are for  
24 evidence-based or promising program models. The  
25 remaining ten percent of funds may be used for  
26 innovative program models that do not yet meet the  
27 definition of evidence-based or promising programs.

28 2. For the purposes of this section, unless the  
29 context otherwise requires or unless otherwise provided  
30 under federal law:

31 a. "Evidence-based program" means a program that  
32 is based on scientific evidence demonstrating that  
33 the program model is effective. An evidence-based  
34 program shall be reviewed on site and compared to  
35 program model standards by the model developer or the  
36 developer's designee at least every five years to  
37 ensure that the program continues to maintain fidelity  
38 with the program model. The program model shall have  
39 had demonstrated significant and sustained positive  
40 outcomes in an evaluation utilizing a well-designed and  
41 rigorous randomized controlled research design or a  
42 quasi-experimental research design, and the evaluation  
43 results shall have been published in a peer-reviewed  
44 journal.

45 b. "Family support programs" includes group-based  
46 parent education or home visiting programs that are  
47 designed to strengthen protective factors, including  
48 parenting skills, increasing parental knowledge of  
49 child development, and increasing family functioning  
50 and problem solving skills. A family support program

1 may be used as an early intervention strategy to  
2 improve birth outcomes, parental knowledge, family  
3 economic success, the home learning environment, family  
4 and child involvement with others, and coordination  
5 with other community resources. A family support  
6 program may have a specific focus on preventing child  
7 maltreatment or ensuring children are safe, healthy,  
8 and ready to succeed in school.

9 c. "Promising program" means a program that meets  
10 all of the following requirements:

11 (1) The program conforms to a clear, consistent  
12 family support model that has been in existence for at  
13 least three years.

14 (2) The program is grounded in relevant empirically  
15 based knowledge.

16 (3) The program is linked to program-determined  
17 outcomes.

18 (4) The program is associated with a national  
19 or state organization that either has comprehensive  
20 program standards that ensure high-quality service  
21 delivery and continuous program quality improvement  
22 or the program model has demonstrated through the  
23 program's benchmark outcomes that the program has  
24 achieved significant positive outcomes equivalent  
25 to those achieved by program models with published  
26 significant and sustained results in a peer-reviewed  
27 journal.

28 (5) The program has been awarded the Iowa family  
29 support credential and has been reviewed on site  
30 at least every five years to ensure the program's  
31 adherence to the Iowa family support standards approved  
32 by the state board or a comparable set of standards.  
33 The on-site review is completed by an independent  
34 review team that is not associated with the program or  
35 the organization administering the program.

36 3. a. The data reporting requirements adopted by  
37 the state board pursuant to section 256I.4 for the  
38 family support programs targeted to families expecting  
39 a child or with newborn and infant children through age  
40 five and funded through the state board shall require  
41 the programs to participate in a state-administered  
42 internet-based data collection system. The data  
43 reporting requirements shall be developed in a manner  
44 to provide for compatibility with local data collection  
45 systems. The state board's annual report submitted  
46 each January to the governor and general assembly under  
47 section 256I.4 shall include family support program  
48 outcomes beginning with the January 2015 report.

49 b. The data on families served that is collected by  
50 the family support programs funded through the early

1 childhood Iowa initiative shall include but is not  
2 limited to basic demographic information, services  
3 received, funding utilized, and program outcomes for  
4 the children and families served. The state board  
5 shall adopt performance benchmarks for the family  
6 support programs and shall revise the Iowa family  
7 support credential to incorporate the performance  
8 benchmarks on or before January 1, 2014.

9 c. The state board shall identify minimum  
10 competency standards for the employees and supervisors  
11 of family support programs funded through the early  
12 childhood Iowa initiative. The state board shall  
13 submit recommendations concerning the standards to the  
14 governor and general assembly on or before January 1,  
15 2014.

16 d. The state board shall adopt criminal and child  
17 abuse record check requirements for the employees and  
18 supervisors of family support programs funded through  
19 the early childhood Iowa initiative.

20 e. The state board shall develop a plan to  
21 implement a coordinated intake and referral process for  
22 publicly funded family support programs in order to  
23 engage the families expecting a child or with newborn  
24 and infant children through age five in all communities  
25 in the state by July 1, 2015.

26 Sec. 14. Section 261.113, subsections 1, 2, 6, 8,  
27 and 10, Code 2013, are amended to read as follows:

28 1. Program established. A rural Iowa primary  
29 care loan repayment program is established to be  
30 administered by the college student aid commission  
31 for purposes of providing loan repayments for medical  
32 students, physician assistant students, and advanced  
33 registered nurse practitioner students who agree  
34 to practice as physicians, physician assistants,  
35 or advanced registered nurse practitioners in  
36 service commitment areas for five years and meet the  
37 requirements of this section.

38 2. Eligibility. An individual is eligible to  
39 apply to enter into a program agreement with the  
40 commission if the individual is enrolled full-time in  
41 and receives a recommendation from the state university  
42 of Iowa college of medicine or Des Moines university ----  
43 osteopathic medical center in a curriculum leading to  
44 a doctor of medicine degree, ~~or~~ a doctor of osteopathy  
45 degree, a master of physician assistant studies degree,  
46 or a master of science in nursing degree.

47 6. Selection of service commitment area. A loan  
48 repayment recipient shall notify the commission of the  
49 recipient's service commitment area prior to beginning  
50 practice in the area in accordance with subsection 3,

1 paragraph "d", or subsection 3A, paragraph "c", as  
2 appropriate. The commission may waive the requirement  
3 that the loan repayment recipient practice in the same  
4 service commitment area for all sixty months.  
5 8. Part-time practice ---- agreement amended. A  
6 person who entered into an agreement pursuant to  
7 subsection 3 or 3A may apply to the commission to amend  
8 the agreement to allow the person to engage in less  
9 than the full-time practice specified in the agreement  
10 and either under subsection 3, paragraph "d", or under  
11 subsection 3A, paragraph "c", as appropriate. If the  
12 commission determines exceptional circumstances exist,  
13 the commission and the person may consent to amend the  
14 agreement under which the person shall engage in less  
15 than full-time practice of medicine and surgery or  
16 osteopathic medicine and surgery specializing in family  
17 medicine, pediatrics, psychiatry, internal medicine,  
18 or general surgery in a service commitment area for  
19 an extended period of part-time practice determined  
20 by the commission to be proportional to the amount  
21 of full-time practice remaining under the original  
22 agreement.

23 10. Trust fund established. A rural Iowa primary  
24 care trust fund is created in the state treasury as a  
25 separate fund under the control of the commission. The  
26 commission shall remit all repayments made pursuant to  
27 this section to the rural Iowa primary care trust fund.  
28 All moneys deposited or paid into the trust fund are  
29 appropriated and made available to the commission to  
30 be used for meeting the requirements of this section.  
31 Moneys in the fund up to the total amount that an  
32 eligible student may receive for an eligible loan in  
33 accordance with this section and upon fulfilling the  
34 requirements of subsection 3 or 3A, shall be considered  
35 encumbered for the duration of the agreement entered  
36 into pursuant to subsection 3 or 3A. Notwithstanding  
37 section 8.33, any balance in the fund on June 30 of  
38 each fiscal year shall not revert to the general fund  
39 of the state, but shall be available for purposes of  
40 this section in subsequent fiscal years.

41 Sec. 15. Section 261.113, Code 2013, is amended by  
42 adding the following new subsection:

43 NEW SUBSECTION. 3A. Program agreements for  
44 physician assistant students and advanced registered  
45 nurse practitioner students. A program agreement shall  
46 be entered into by an eligible physician assistant  
47 student or an advanced registered nurse practitioner  
48 student and the commission when the eligible student  
49 begins the curriculum leading to a master of physician  
50 assistant studies degree or a master of science in

1 nursing degree. Under the agreement, to receive loan  
2 repayments pursuant to subsection 5, paragraph "c", an  
3 eligible student shall agree to and shall fulfill all  
4 of the following requirements:

5 a. Receive a master of physician assistant studies  
6 degree or a master of science in nursing degree from an  
7 eligible university.

8 b. Apply for and obtain a license to practice as a  
9 physician assistant under chapter 148C or an advanced  
10 registered nurse practitioner under chapter 152 or  
11 152E.

12 c. Within nine months of receiving a degree in  
13 accordance with paragraph "a" and receiving a license  
14 in accordance with paragraph "b", engage in full-time  
15 primary practice as a physician assistant or an  
16 advanced registered nurse practitioner for a period of  
17 sixty consecutive months in the service commitment area  
18 specified under subsection 6, unless the loan repayment  
19 recipient receives a waiver from the commission to  
20 complete the months of practice required under the  
21 agreement in another service commitment area pursuant  
22 to subsection 6.

23 Sec. 16. Section 261.113, subsection 5, paragraphs  
24 a and b, Code 2013, are amended to read as follows:

25 a. The amount of loan repayment an eligible student  
26 who enters into an agreement pursuant to subsection  
27 3 shall receive ~~upon fulfilling the requirements~~  
28 ~~of subsection 3~~ if in compliance with obligations  
29 under the agreement shall be not more than ~~fifty~~  
30 forty thousand dollars annually for an eligible loan.  
31 Payments under this section are limited to a ~~four-year~~  
32 consecutive five-year period and shall not exceed a  
33 total of two hundred thousand dollars.

34 b. The commission shall not enter into more than  
35 ~~twenty~~ twenty-five program agreements annually.  
36 Fifty percent of the agreements shall be entered into  
37 by students attending each university described in  
38 subsection 2. However, if there are fewer than ten  
39 eligible student applicants at one university, eligible  
40 student applicants enrolled in the other university may  
41 be awarded the remaining agreements.

42 Sec. 17. Section 261.113, subsection 5, Code 2013,  
43 is amended by adding the following new paragraph:

44 NEW PARAGRAPH. c. The annual amount of loan  
45 repayment an eligible student who enters into an  
46 agreement pursuant to subsection 3A shall receive  
47 shall not exceed twenty percent of the eligible  
48 student's eligible loan. A physician assistant or  
49 advanced registered nurse practitioner in compliance  
50 with subsection 3A shall be eligible for the loan

1 repayment under this section for not more than five  
2 consecutive years. Not more than twenty percent of  
3 the funds available for purposes of this section shall  
4 be expended for agreements entered into pursuant to  
5 subsection 3A.

6 Sec. 18. Section 261.113, subsection 9, paragraph  
7 a, unnumbered paragraph 1, Code 2013, is amended to  
8 read as follows:

9 The obligation to engage in practice in accordance  
10 with subsection 3 or subsection 3A shall be postponed  
11 for the following purposes:

12 Sec. 19. Section 261.113, subsection 9, paragraph  
13 a, subparagraph (6), Code 2013, is amended to read as  
14 follows:

15 (6) Any period of temporary medical incapacity  
16 during which the person obligated is unable, due to  
17 a medical condition, to engage in full-time practice  
18 as required under subsection 3, paragraph "d", or  
19 subsection 3A, paragraph "c", as appropriate.

20 Sec. 20. Section 261.113, subsection 9, paragraph  
21 b, Code 2013, is amended to read as follows:

22 b. Except for a postponement under paragraph "a",  
23 subparagraph (6), an obligation to engage in practice  
24 under an agreement entered into pursuant to subsection  
25 3 or 3A, shall not be postponed for more than two  
26 years from the time the full-time practice was to have  
27 commenced under the agreement.

28 Sec. 21. Section 261.113, subsection 9, paragraph  
29 c, unnumbered paragraph 1, Code 2013, is amended to  
30 read as follows:

31 An obligation to engage in ~~full-time~~ practice under  
32 an agreement entered into pursuant to subsection 3  
33 or 3A shall be considered satisfied when any of the  
34 following conditions are met:

35 Sec. 22. Section 261.113, subsection 9, paragraph  
36 c, subparagraph (3), Code 2013, is amended to read as  
37 follows:

38 (3) The person who entered into the agreement,  
39 due to a permanent disability, is unable to meet  
40 the requirements for practice ~~medicine and surgery~~  
41 ~~or osteopathic medicine and surgery~~ as required  
42 under subsection 3, paragraph "d", or subsection 3A,  
43 paragraph "c", as appropriate.

44 Sec. 23. Section 261.113, subsection 11, paragraph  
45 c, Code 2013, is amended to read as follows:

46 c. "Service commitment area" means a city in Iowa  
47 with a population of less than twenty-six thousand  
48 that is located more than twenty miles from a city  
49 with a population of fifty thousand or more and which  
50 provides a twenty thousand dollar contribution for



1 deposit in the rural Iowa primary care trust fund  
2 for each physician, physician assistant, or advanced  
3 registered nurse practitioner in the community who is  
4 participating in the loan repayment program.

5 Sec. 24. Section 262.9, subsection 19, Code 2013,  
6 is amended by adding the following new paragraph:

7 NEW PARAGRAPH. c. Prohibit the designation  
8 of a portion of the tuition moneys collected from  
9 resident students by institutions of higher education  
10 governed by the board for use for student aid purposes.  
11 However, such institutions may designate that a portion  
12 of the tuition moneys collected from nonresident  
13 students be used for such purposes.

14 Sec. 25. Section 262.9, subsection 22, Code 2013,  
15 is amended to read as follows:

16 22. Assist a nonprofit organization located in  
17 Sioux City in the creation of a ~~tristate graduate~~  
18 northwest Iowa regents resource center, comparable  
19 to the ~~quad cities graduate~~ southwest Iowa regents  
20 resource center, located in ~~the quad cities in Iowa~~  
21 Council Bluffs. The purpose of the Sioux City ~~graduate~~  
22 regents resource center shall be to create ~~graduate~~  
23 postsecondary education opportunities for students  
24 living in northwest Iowa.

25 Sec. 26. Section 273.3, Code 2013, is amended by  
26 adding the following new subsection:

27 NEW SUBSECTION. 24. Be authorized to sell software  
28 and support services, professional development programs  
29 and materials, online professional development, and  
30 online training to entities other than school districts  
31 within the state and to school districts and other  
32 public agencies located outside of the state. The  
33 board may also sell to school districts within this  
34 state software and support services, professional  
35 development programs and materials, online professional  
36 development, and online training which the area  
37 education agency is not otherwise required to provide  
38 to a school district under this chapter or chapter 256B  
39 or 257.

40 Sec. 27. Section 284.13, subsection 1, paragraphs  
41 a, b, c, and d, Code 2013, are amended to read as  
42 follows:

43 a. For the fiscal year beginning July 1,  
44 ~~2012~~ 2013, and ending June 30, ~~2013~~ 2014, to the  
45 department of education, the amount of ~~five~~ eight  
46 ~~hundred eighty-five~~ forty-six thousand ~~two hundred~~  
47 fifty dollars for the issuance of national board  
48 certification awards in accordance with section 256.44.  
49 Of the amount allocated under this paragraph, not  
50 less than eighty-five thousand dollars shall be used

1 to administer the ambassador to education position in  
2 accordance with section 256.45.

3 b. For the fiscal year beginning July 1, ~~2012~~ 2013,  
4 and ending June 30, ~~2013~~ 2014, an amount up to ~~two~~  
5 three million four nine hundred sixty-three thirty-four  
6 thousand five one hundred ninety twenty-four dollars  
7 for first-year and second-year beginning teachers, to  
8 the department of education for distribution to school  
9 districts and area education agencies for purposes  
10 of the beginning teacher mentoring and induction  
11 programs. A school district or area education agency  
12 shall receive one thousand three hundred dollars per  
13 beginning teacher participating in the program. If the  
14 funds appropriated for the program are insufficient  
15 to pay mentors, school districts, and area education  
16 agencies as provided in this paragraph, the department  
17 shall prorate the amount distributed to school  
18 districts and area education agencies based upon the  
19 amount appropriated. Moneys received by a school  
20 district or area education agency pursuant to this  
21 paragraph shall be expended to provide each mentor with  
22 an award of five hundred dollars per semester, at a  
23 minimum, for participation in the school district's or  
24 area education agency's beginning teacher mentoring  
25 and induction program; to implement the plan; and to  
26 pay any applicable costs of the employer's share of  
27 contributions to federal social security and the Iowa  
28 public employees' retirement system or a pension and  
29 annuity retirement system established under chapter  
30 294, for such amounts paid by the district or area  
31 education agency.

32 c. For the fiscal year beginning July 1, ~~2012~~  
33 2013, and ending June 30, ~~2013~~ 2014, up to ~~six~~ eight  
34 hundred fifty-five thousand seven hundred twenty-two  
35 dollars to the department for purposes of implementing  
36 the professional development program requirements of  
37 section 284.6, assistance in developing model evidence  
38 for teacher quality committees established pursuant  
39 to section 284.4, subsection 1, paragraph "c", and  
40 the evaluator training program in section 284.10.  
41 A portion of the funds allocated to the department  
42 for purposes of this paragraph may be used by the  
43 department for administrative purposes and for not more  
44 than four full-time equivalent positions.

45 d. For the fiscal year beginning July 1, ~~2012~~ 2013,  
46 and ending June 30, ~~2013~~ 2014, an amount up to one  
47 million one hundred thirty-six thousand four hundred  
48 ten dollars to the department for the establishment  
49 of teacher development academies in accordance with  
50 section 284.6, subsection 10. A portion of the funds

1 allocated to the department for purposes of this  
2 paragraph may be used for administrative purposes.

3 DIVISION II

4 WORKFORCE TRAINING PROGRAMS ---- APPROPRIATIONS

5 Sec. 28. DEPARTMENT OF EDUCATION. There is  
6 appropriated from the general fund of the state to the  
7 department of education for the fiscal year beginning  
8 July 1, 2013, and ending June 30, 2014, the following  
9 amount, or so much thereof as is necessary, to be used  
10 for the purposes designated:

11 1. COMMUNITY COLLEGES.

12 a. For deposit in the statewide work-based learning  
13 intermediary network fund created pursuant to section  
14 256.40, subsection 1:

15 ..... \$ 3,000,000

16 b. For deposit in the workforce training and  
17 economic development funds created pursuant to section  
18 260C.18A:

19 ..... \$ 15,500,000

20 From the moneys appropriated in this lettered  
21 paragraph, not more than \$100,000 shall be used by the  
22 department for administration of the workforce training  
23 and economic development funds created pursuant to  
24 section 260C.18A.

25 c. For deposit in the pathways for academic career  
26 and employment fund established pursuant to section  
27 260H.2, subsection 2:

28 ..... \$ 5,000,000

29 d. For distribution to community colleges for the  
30 purposes of implementing adult education and literacy  
31 programs pursuant to section 260C.50:

32 ..... \$ 7,500,000

33 (1) From the moneys appropriated in this paragraph  
34 "d", \$5,350,000 shall be allocated pursuant to the  
35 formula established in section 260C.18C.

36 (2) From the moneys appropriated in this lettered  
37 paragraph, not more than \$150,000 shall be used by the  
38 department for implementation of adult education and  
39 literacy programs pursuant to section 260C.50.

40 (3) From the moneys appropriated in this lettered  
41 paragraph, not more than \$1,790,000 shall be  
42 distributed as grants to community colleges for the  
43 purpose of adult basic education programs for students  
44 requiring instruction in English as a second language.  
45 The department shall establish an application  
46 process and criteria to award grants pursuant to this  
47 subparagraph (3) to community colleges. The criteria  
48 shall be based on need for instruction in English as a  
49 second language in the region served by each community  
50 college as determined by factors including data from

1 the latest federal decennial census and outreach  
2 efforts to determine regional needs.  
3 (4) From the moneys appropriated in this  
4 lettered paragraph, \$210,000 shall be transferred  
5 to the department of human services for purposes of  
6 administering a pilot project to provide access to  
7 international resources to Iowans and new Iowans to  
8 provide economic and leadership development resulting  
9 in Iowa being a more inclusive and welcoming place to  
10 live, work, and raise a family. The pilot project  
11 shall provide supplemental support services for  
12 international refugees to improve learning, literacy,  
13 cultural competencies, and assimilation in 10 locations  
14 within a county with a population over 350,000. The  
15 department of human services shall utilize a request  
16 for proposals process to identify the entity best  
17 qualified to implement the pilot project. The request  
18 for proposals shall specify that a qualified entity  
19 must be utilizing more than 100 interpreters and  
20 translators fluent in over 50 languages and dialects to  
21 help medical clinics, government agencies, nonprofit  
22 organizations, businesses, and individuals overcome  
23 language barriers so that limited English proficient  
24 individuals can receive essential services; working  
25 with the United States department of state, the United  
26 States agency for international development, and a  
27 family foundation center for international visitors  
28 that facilitates visits from international leaders to  
29 build personal and lasting connections between Iowans  
30 and professionals from around the world; partnering  
31 with business and industry, foundations, and accredited  
32 postsecondary educational institutions and other  
33 entities located in the state to offer monthly public  
34 forums by leading experts and engage youth in global  
35 leadership conferences; and leading the state in  
36 providing resources to immigrants and refugees through  
37 a multilingual guide to the state, a comprehensive  
38 resource website, and emergency interpretation  
39 services.

40 Sec. 29. Section 256.9, Code 2013, is amended by  
41 adding the following new subsection:

42 NEW SUBSECTION. 63. Administer the workforce  
43 training and economic development funds created  
44 pursuant to section 260C.18A.

45 Sec. 30. Section 256.40, Code 2013, is amended to  
46 read as follows:

47 256.40 Statewide work-based learning intermediary  
48 network ---- fund ---- steering committee ---- regional  
49 networks.

50 1. A statewide work-based learning intermediary

1 network program is established in the department and  
2 shall be administered by the department. A separate,  
3 statewide work-based learning intermediary network  
4 fund is created in the state treasury under the  
5 control of the department. The fund shall consist  
6 of all moneys deposited in the fund, including any  
7 moneys appropriated by the general assembly and any  
8 other moneys available to and obtained or accepted by  
9 the department from federal or private sources for  
10 purposes of the program. Notwithstanding section  
11 8.33, moneys in the fund at the end of a fiscal year  
12 shall not revert to the general fund of the state.  
13 Notwithstanding section 12C.7, subsection 2, interest  
14 or earnings on moneys in the fund shall be credited to  
15 the fund.

16 2. The purpose of the program shall be to ~~build~~  
17 ~~a seamless career, future workforce, and economic~~  
18 ~~development system in Iowa to accomplish all of~~  
19 ~~the following~~ prepare students for the workforce  
20 by connecting business and the education system and  
21 offering relevant, work-based learning activities to  
22 students and teachers. The program shall:

23 a. Better prepare students to make informed  
24 postsecondary education and career decisions.

25 b. Provide communication and coordination in  
26 order to build and sustain relationships between  
27 employers and local youth, the education system, and  
28 the community at large.

29 c. Connect students to local career opportunities,  
30 creating economic capital for the region using a  
31 skilled and available workforce.

32 ~~d. Facilitate the sharing of best practices~~  
33 ~~statewide by business and education leaders.~~

34 ~~e. d.~~ Provide a one-stop contact point for  
35 information useful to both educators and employers,  
36 including a state-level clearinghouse for information  
37 on internships, job shadowing experiences, and other  
38 workplace learning opportunities for students that  
39 are linked to the state's economic goals students,  
40 particularly related to science, technology,  
41 engineering, or mathematics occupations, occupations  
42 related to critical infrastructure and commercial and  
43 residential construction, or targeted industries as  
44 defined in section 15.102.

45 ~~f. Implement services for all students, staff, and~~  
46 ~~districts within the region and integrate workplace~~  
47 ~~skills into the curriculum.~~

48 e. Integrate services provided through the program  
49 with other career exploration-related activities such  
50 as the student core curriculum plan and the career

1 information and decision-making system developed and  
2 administered under section 279.61, where appropriate.

3 f. Facilitate the attainment of portable  
4 credentials of value to employers such as the national  
5 career readiness certificate, where appropriate.

6 g. Develop work-based capacity with employers.

7 ~~h. Improve the skills of Iowa's future workforce.~~

8 ~~i.~~ h. Provide core services, which may include  
9 student job shadowing, student internships, and teacher  
10 or student tours.

11 3. The department shall establish and facilitate a  
12 steering committee comprised of representatives from  
13 the department of workforce development, the economic  
14 development authority, the community colleges, the  
15 institutions under the control of the state board  
16 of regents, accredited private institutions, area  
17 education agencies, school districts, and the workplace  
18 learning connection. The steering committee shall be  
19 responsible for the development and implementation of  
20 the statewide work-based learning intermediary network.

21 4. The steering committee shall develop a design  
22 for a statewide network comprised of fifteen regional  
23 work-based learning intermediary networks. The design  
24 shall include network specifications, strategic  
25 functions, and desired outcomes. The steering  
26 committee shall recommend program parameters and  
27 reporting requirements to the department.

28 5. Each regional network shall establish an  
29 advisory council to ~~develop and implement~~ provide  
30 advice and assistance to the regional network. The  
31 advisory council shall include representatives of  
32 business and industry, including construction trade  
33 industry professionals, and shall meet at least  
34 annually.

35 6. Each regional network or consortium of networks  
36 shall annually submit a work-based learning plan to  
37 the department. Each plan shall include provisions  
38 to provide core services referred to in subsection  
39 2, paragraph "h", to all school districts within the  
40 region and for the integration of job shadowing and  
41 other work-based learning activities into secondary  
42 career and technical education programs.

43 ~~6.~~ 7. a. Funds ~~Moneys~~ deposited in the statewide  
44 work-based learning intermediary network fund created  
45 in subsection 1 shall be distributed annually to  
46 each region for the implementation of the statewide  
47 work-based learning intermediary network based upon the  
48 distribution of the kindergarten through grade twelve  
49 student enrollments in each region. The amount shall  
50 not exceed three dollars per student upon approval by

1 the department of the region's work-based learning plan  
2 submitted pursuant to subsection 6.

3 b. If the balance in the statewide work-based  
4 learning intermediary network fund on July 1 of a  
5 fiscal year is one million five hundred thousand  
6 dollars or less, the department shall distribute moneys  
7 in the fund to regions or consortium of regions on a  
8 competitive basis. If the balance in the statewide  
9 work-based learning intermediary network fund on  
10 July 1 of a fiscal year is greater than one million  
11 five hundred thousand dollars, the department shall  
12 distribute one hundred thousand dollars to each region  
13 and distribute the remaining moneys pursuant to the  
14 formula established in section 260C.18C.

15 ~~7.~~ 8. The department shall provide oversight of  
16 the statewide work-based learning intermediary network  
17 and shall annually evaluate the statewide and regional  
18 network progress toward the outcomes identified by  
19 the steering committee pursuant to subsection 4. The  
20 department shall require each region to submit an  
21 annual report on its ongoing implementation of the  
22 statewide work-based learning intermediary network  
23 program to the department.

24 ~~8.~~ 9. Each regional network shall match the  
25 ~~funds~~ moneys received pursuant to subsection ~~6~~ 7 with  
26 financial resources equal to at least twenty-five  
27 percent of the amount of the ~~funds~~ moneys received  
28 pursuant to subsection ~~6~~ 7. The financial resources  
29 used to provide the match may include private  
30 donations, in-kind contributions, or public ~~funds~~  
31 moneys other than the ~~funds~~ moneys received pursuant to  
32 subsection ~~6~~ 7.

33 10. The state board of education shall adopt rules  
34 under chapter 17A for the administration of this  
35 section.

36 Sec. 31. Section 260C.18A, subsection 1, paragraph  
37 b, Code 2013, is amended to read as follows:

38 b. Moneys in the funds shall consist of any moneys  
39 appropriated by the general assembly and any other  
40 moneys available to and obtained or accepted by the  
41 ~~economic development authority~~ department from federal  
42 sources or private sources for placement in the  
43 funds. Notwithstanding section 8.33, moneys in the  
44 funds at the end of each fiscal year shall not revert  
45 to any other fund but shall remain in the funds for  
46 expenditure in subsequent fiscal years.

47 Sec. 32. Section 260C.18A, subsection 2, paragraph  
48 c, Code 2013, is amended to read as follows:

49 c. For the development and implementation of  
50 career academies designed to provide new career



1 preparation opportunities for high school students  
2 that are formally linked with postsecondary career and  
3 technical education programs. For purposes of this  
4 section, "career academy" means a program of study that  
5 combines a minimum of two years of secondary education  
6 with an associate degree, or the equivalent, career  
7 preparatory program in a nonduplicative, sequential  
8 course of study that is standards based, integrates  
9 academic and technical instruction, utilizes work-based  
10 and worksite learning where appropriate and available,  
11 utilizes an individual career planning process with  
12 parent involvement, and leads to an associate degree or  
13 postsecondary diploma or certificate in a career field  
14 that prepares an individual for entry and advancement  
15 in a high-skill and reward career field and further  
16 education. The ~~economic development authority state~~  
17 ~~board~~, in conjunction with the ~~state board of education~~  
18 ~~and the~~ division of community colleges and workforce  
19 preparation of the department of education, shall  
20 adopt administrative rules for the development and  
21 implementation of such career academies pursuant to  
22 section 256.11, subsection 5, paragraph "h", section  
23 260C.1, and Tit. II of Pub. L. No. 105-332, Carl D.  
24 Perkins Vocational and Technical Education Act of 1998.

25 Sec. 33. Section 260C.18A, subsection 2, paragraph  
26 e, Code 2013, is amended by striking the paragraph.

27 Sec. 34. Section 260C.18A, subsection 3, Code 2013,  
28 is amended to read as follows:

29 3. The ~~economic development authority department~~  
30 shall allocate the moneys appropriated pursuant to this  
31 section to the community college workforce training  
32 and economic development funds utilizing the same  
33 distribution formula used for the allocation of state  
34 general aid to the community colleges.

35 Sec. 35. Section 260C.18A, subsection 4, paragraph  
36 d, Code 2013, is amended to read as follows:

37 d. Annually submit the two-year plan and progress  
38 report to the ~~economic development authority department~~  
39 in a manner prescribed by rules adopted by the  
40 department pursuant to chapter 17A.

41 Sec. 36. NEW SECTION. 260C.50 Adult education and  
42 literacy programs.

43 1. For purposes of this section, "adult education  
44 and literacy programs" means adult basic education,  
45 adult education leading to a high school equivalency  
46 diploma under chapter 259A, English as a second  
47 language instruction, workplace and family literacy  
48 instruction, or integrated basic education and  
49 technical skills instruction.

50 2. The department and the community colleges shall

1 jointly implement adult education and literacy programs  
2 to assist adults and youths sixteen years of age and  
3 older who are not in school in obtaining the knowledge  
4 and skills necessary for further education, work, and  
5 community involvement.

6 3. The state board, in consultation with the  
7 community colleges, shall prescribe standards for adult  
8 education and literacy programs including but not  
9 limited to contextualized and integrated instruction,  
10 assessments, instructor qualification and professional  
11 development, data collection and reporting, and  
12 performance benchmarks.

13 4. The state board, in consultation with the  
14 community colleges, shall adopt rules pursuant to  
15 chapter 17A to administer this section.

16 Sec. 37. Section 260H.2, Code 2013, is amended to  
17 read as follows:

18 260H.2 Pathways for academic career and employment  
19 program ---- fund.

20 1. A pathways for academic career and employment  
21 program is established to provide funding to  
22 community colleges for the development of projects in  
23 coordination with the economic development authority,  
24 the department of education, the department of  
25 workforce development, regional advisory boards  
26 established pursuant to section 84A.4, and community  
27 partners to implement a simplified, streamlined, and  
28 comprehensive process, along with customized support  
29 services, to enable eligible participants to acquire  
30 effective academic and employment training to secure  
31 gainful, quality, in-state employment.

32 2. a. A pathways for academic career and  
33 employment fund is created for the community  
34 colleges in the state treasury to be administered  
35 by the department of education. The moneys in the  
36 pathways for academic career and employment fund are  
37 appropriated to the department of education for the  
38 pathways for academic career and employment program.

39 b. The aggregate total of grants awarded from the  
40 pathways for academic career and employment fund during  
41 a fiscal year shall not be more than five million  
42 dollars.

43 c. Moneys in the fund shall be allocated pursuant  
44 to the formula established in section 260C.18C.

45 Notwithstanding section 8.33, moneys in the fund  
46 at the close of the fiscal year shall not revert  
47 to the general fund of the state but shall remain  
48 available for expenditure for the purpose designated  
49 for subsequent fiscal years. Notwithstanding section  
50 12C.7, subsection 2, interest or earnings on moneys in

1 the fund shall be credited to the fund.

2 Sec. 38. Section 260H.3, subsection 1, paragraph b,  
3 Code 2013, is amended to read as follows:

4 b. Persons earning incomes at or below two hundred  
5 fifty percent of the federal poverty level as defined  
6 by the most recently revised poverty income guidelines  
7 published by the United States department of health and  
8 human services.

9 Sec. 39. Section 260H.4, subsection 2, paragraph  
10 b, Code 2013, is amended by adding the following new  
11 subparagraph:

12 NEW SUBPARAGRAPH. (5) Any other industry  
13 designated as in-demand by a regional advisory board  
14 established pursuant to section 84A.4.

15 Sec. 40. Section 260H.4, subsection 2, paragraph c,  
16 Code 2013, is amended by striking the paragraph.

17 Sec. 41. NEW SECTION. 260H.7A Pathway navigators.

18 1. A community college may use moneys for the  
19 pathways for academic career and employment program to  
20 employ pathway navigators to assist students applying  
21 for or enrolled in eligible pathways for academic  
22 career and employment projects.

23 2. Pathway navigators shall provide services and  
24 support to aid students in selecting pathways for  
25 academic career and employment projects that will  
26 result in gainful, quality, in-state employment and  
27 to ensuring students are successful once enrolled in  
28 pathways for academic career and employment projects.  
29 Services the pathway navigators may provide include but  
30 are not limited to the following:

31 a. Interviewing and selecting students for  
32 enrollment in pathways for academic career and  
33 employment projects.

34 b. Assessing students' skills, interests, and  
35 previous academic and work experience for purposes  
36 of placement in pathways for academic career and  
37 employment projects.

38 c. Working with students to develop academic and  
39 career plans and to adjust such plans as needed.

40 d. Assisting students in applying for and receiving  
41 resources for financial aid and other forms of tuition  
42 assistance.

43 e. Assisting students with the admissions process,  
44 remedial education, academic credit transfer, meeting  
45 assessment requirements, course registration, and other  
46 procedures necessary for successful completion of  
47 pathways for academic career and employment projects.

48 f. Assisting in identifying and resolving obstacles  
49 to students' successful completion of pathways for  
50 academic career and employment projects.

1 g. Connecting students with useful college  
2 resources or outside support services such as access to  
3 child care, transportation, and tutorial assistance,  
4 as needed.

5 h. Maintaining ongoing contact with students  
6 enrolled in pathways for academic career and employment  
7 projects and ensuring students are making satisfactory  
8 progress toward the successful completion of projects.

9 i. Providing support to students transitioning from  
10 remedial education, short-term training, and classroom  
11 experience to employment.

12 j. Coordinating activities with community-based  
13 organizations that serve as key recruiters for pathways  
14 for academic career and employment projects and  
15 assisting students throughout the recruitment process.

16 k. Coordinating adult basic education services.

17 Sec. 42. NEW SECTION. 260H.7B Regional industry  
18 sector partnerships.

19 1. A community college may use moneys for the  
20 pathways for academic career and employment program  
21 to provide staff and support for the development and  
22 implementation of regional industry sector partnerships  
23 within the region served by the community college.

24 2. Regional, industry sector partnerships  
25 may include but are not limited to the following  
26 activities:

27 a. Bringing together representatives from industry  
28 sectors, government, education, local workforce  
29 boards, community-based organizations, labor, economic  
30 development organizations, and other stakeholders  
31 within the regional labor market to determine how  
32 pathways for academic career and employment projects  
33 should address workforce skills gaps, occupational  
34 shortages, and wage gaps.

35 b. Integrating pathways for academic career and  
36 employment projects and other existing supply-side  
37 strategies with workforce needs within the region  
38 served by the community college.

39 c. Developing pathways for academic career and  
40 employment projects that focus on the workforce skills,  
41 from entry level to advanced, required by industry  
42 sectors within the region served by the community  
43 college.

44 Sec. 43. Section 260I.4, subsection 6, Code 2013,  
45 is amended to read as follows:

46 6. Eligibility for tuition assistance under this  
47 chapter shall be limited to persons earning incomes  
48 at or below two hundred fifty percent of the federal  
49 poverty level as defined by the most recently revised  
50 poverty income guidelines published by the United

1 States department of health and human services.

2 Sec. 44. Section 260I.5, Code 2013, is amended by  
3 adding the following new subsection:

4 NEW SUBSECTION. 5. Costs of providing direct  
5 staff support services including but not limited to  
6 marketing, outreach, application, interview, and  
7 assessment processes. Eligible costs for this purpose  
8 shall be limited to twenty percent of any allocation  
9 of moneys to the two smallest community colleges,  
10 ten percent of any allocation of moneys to the two  
11 largest community colleges, and fifteen percent of any  
12 allocation of moneys to the remaining eleven community  
13 colleges. Community college size shall be determined  
14 based on the most recent three-year rolling average  
15 full-time equivalent enrollment.>

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# Fiscal Note

*Fiscal Services Division*



**HF 637** – Iowa Finance Authority Policies (LSB 2116HZ)

Analyst: Kenneth Ohms (Phone: (515) 725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))

Fiscal Note Version – New

Requested by Representative Sharon S. Steckman

## **Description**

**House File 637** eliminates the Iowa Jobs Board and transfers the duties and responsibilities of the board to the Iowa Finance Authority (IFA). This Bill renames the Title Guaranty Program the Iowa Title Guaranty Program. This Bill also makes statutory changes relating to the general powers and bond issuance activity of the IFA including but not limited to the following:

- Increasing the amount any one project may receive from private activity bonds from \$10.0 million to \$20.0 million.
- Allowing the IFA to contract directly with a variety of professional services.
- Designating the IFA as the governmental unit that can conduct public hearings required by section 147(f) of the federal Internal Revenue Code.
- Exempting interest earnings on all bonds issued related to the Single Family and Multifamily Programs from Iowa income tax making them “double-exempt.”
- Allowing the IFA to issue bonds for projects outside Iowa.
- Consolidating the Senior Living Revolving Fund, Home and Community-Based Services Revolving Loan Fund, and the Transitional Housing Revolving Loan Program Fund into a new fund titled the Special Projects Revolving Loan Fund.

## **Background**

Income from bond interest related to the Single Family and Multifamily Programs is currently subject to Iowa income tax. These bonds are exempt from federal income tax. The table below represents bonds the IFA has issued related to these programs over the past 10 years.

<b>IFA Historical Single Family and Multifamily Bond Issuance</b> (Dollars in Millions)			
	Fixed Rate Bonds	Variable Rate Bonds	Total
FY 2003	\$ 88.8	\$ 31.3	\$120.00
FY 2004	75.0	15.0	90.0
FY 2005	105.5	61.0	166.5
FY 2006	168.0	72.0	240.0
FY 2007	150.5	0.0	150.5
FY 2008	120.1	42.6	162.7
FY 2009	35.1	17.3	52.5
FY 2010	56.0	0.0	56.0
FY 2011	20.8	0.0	20.8
FY 2012	44.0	0.0	44.0
FY 2013	20.0	0.0	20.0

## **Assumptions**

- Excluding bonds already issued, the IFA will not issue bonds in the retail market related to the Single Family and Multifamily Programs in 2013 or 2014.
- Due to historical fluctuations, the number of Single Family and Multifamily Program bonds issued by the IFA cannot be predicted.
- Of the current bonds and notes issued by the IFA related to the Single Family and Multifamily Programs, a total of 9.0% are owned by individuals or entities subject to the Iowa income tax.
- Future bonds issued will be purchased by different types of taxpayers in the same ratio as estimated historically.
- The interest rate on future bonds issued will equal the 20-year municipal bond interest rate of 4.0% forecasted by Moody's Analytics in February 2013.
- Bond holding periods will exceed five years, with bond interest payments made to taxpayers in each year of the analysis beginning with the year of issuance.
- Tax year liability on interest income is met 30.0% in the same fiscal year as the tax year and 70.0% in the following year, based on the timing of estimate payments.
- Unobligated funds appropriated from the Revenue Bonds Capitals (RBC) Fund in FY 2010 will revert to the RBC Fund at the end of FY 2013.
- Unobligated funds and outstanding loans in the Senior Living Revolving Fund, Home and Community-Based Services Revolving Loan Fund, and the Transitional Housing Revolving Loan Program Fund will transfer to the new Special Projects Revolving Fund.
- This Bill takes effect July 1, 2013.

## **Fiscal Impacts**

### **Fiscal impact to other funds**

- On July 1, 2013, \$1.1 million will revert to the RBC Fund.
- On July 1, 2013, \$5.5 million from the Senior Living Revolving Fund, Home and Community-Based Services Revolving Loan Fund, and the Transitional Housing Revolving Loan Program Fund will transfer to the new Special Projects Revolving Fund. Additionally, \$6.2 million in outstanding loans from these three funds will be assigned to the Special Projects Revolving Fund.

### **Fiscal Impact to the State General Fund**

The Iowa income tax exemption for the Single Family and Multifamily Programs will decrease potential future General Fund revenue. Using the assumption that the IFA will not issue Single Family and Multifamily Program bonds in 2013 or 2014, there will be no impact to State General Fund revenue in FY 2014 or FY 2015. Once bonds are issued with tax exempt status, for every \$10.0 million of Single Family and Multifamily Program bonds issued by the IFA in the future, there is a potential Iowa income tax revenue loss of \$2,000 to \$22,000 depending on the tax status of the bondholders.

This Bill does not explicitly state whether the Iowa income tax exemption for the Single Family and Multifamily Programs is retroactive to current issues. If applied retroactively, the potential impact on net State General Fund revenue by fiscal years is presented in the following table.



**Fiscal Impact by Fiscal Year**

	State General Fund
FY 2014	\$ -34,000
FY 2015	-27,000
FY 2016	-22,000
FY 2017	-18,000
FY 2018	-14,000

Adding another set of double-exempt bonds may adversely affect entities within the state that already have authority to issue double-exempt bonds. The increased supply could lead to the need to increase the interest rate return for investors, driving up the cost of issuing bonds.

**Sources**

Iowa Finance Authority  
Department of Revenue  
LSA Analysis & Calculations

/s/ Holly M. Lyons

April 18, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

# Fiscal Note

*Fiscal Services Division*



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**HF 629** – Inheritance Tax Exemption (LSB 1880HZ)

Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))

Fiscal Note Version – New

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**Description**

**House File 629** creates an inheritance tax exemption for the first \$2.0 million of inherited value and applies a single tax rate of 10.0% on any inherited value in excess of \$2.0 million. This Bill also extends to step grandchildren and step great-grandchildren the current full inheritance tax exemption available for spouses, stepchildren, and lineal ascendants and descendants. The changes are effective with deaths occurring on or after July 1, 2013.

**Background**

Current Iowa law exempts a spouse, or stepchild, as well as all linear descendants and ascendants (parents and grandparents, children and grandchildren) of the decedent from the Iowa inheritance tax. Other related individuals, such as brothers, sisters, nieces, or nephews, may have the inheritance taxed at 5.0% to 10.0% of its net value, depending on the value of the inheritance and the relationship to the decedent. For unrelated persons, the tax rate is 10.0% to 15.0%. For-profit corporations are taxed at 15.0% of the inheritance.

**Assumptions**

The Department of Revenue reviewed 112 recent inheritance tax returns (approximately 5.0% of annual inheritance tax returns). The department re-estimated the inheritance tax that would be due given the value of the estate and the relationship of the beneficiaries to the decedent, using the new exemption provisions contained in the bill. This new estimate was then compared to the inheritance tax that was due under current law. The department analysis found that 107 of the 112 inheritance situations would owe no tax under the provisions of this Bill and the percent reduction in inheritance tax owed across the 112 returns was 89.4%.

This 89.4% reduction was then applied to the department's projection for inheritance tax receipts, beginning with the fourth quarter of FY 2014.

**Fiscal Impact**

The additional inheritance tax exemptions created in this Bill are projected to reduce net General Fund revenue by the following amounts:

- FY 2014 = \$ -21.3 million
- FY 2015 = \$ -91.6 million
- FY 2016 = \$ -94.9 million
- FY 2017 = \$ -101.4 million

The exemption will continue to have a General Fund impact in future fiscal years, with the impact projected to be similar to FY 2017.

The Department of Revenue estimates that the exemptions will result in a 95.0% reduction in the number of inheritance tax returns filed with the state, allowing the reallocation of one FTE position to other tax review duties.

**Source**

Department of Revenue

/s/ Holly M. Lyons

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April 18, 2013

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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